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C O N F I D E N T I A L SECTION 01 OF 02 LAGOS 000597

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STATE FOR AF/W
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SUBJECT: BUSINESS INSIDER PROMOTES THIRD TERM AGENDA

Classified By: Consul General Brian L. Browne for Reason 1.4 (D)

SUMMARY

¶1. (C) Prominent Yoruba businessman and Obasanjo insider Otunba Funso Lawal recently told the Consul General that the business community, particularly leading companies in the modernized sectors such as banking and telecommunications, support President Obasanjo for a third Presidential term. Should the third term bid get doused, Lawal claimed the President was determined not to turn over to a northerner. Obasanjo might reluctantly consider succession by Rivers State Governor Peter Odili with a northerner like Katsina's Governor Yar'Adua as Vice President. Although no logistical preparation has begun for the 2007 election, Lawal claimed a sizable contract for election support is coming his way. End summary.

BUSINESS SUPPORTS THE THIRD TERM AMENDMENT

¶2. (C) Prominent Yoruba business figure Funso Lawal, a member of Transcorp, the mega-corporation formed at Obasanjo's behest, has close access to President Obasanjo. Notwithstanding Obasanjo's studied public silence, Lawal claims President Obasanjo was actively working to get the third term amendment ratified. He stated the President was adamant about this project. Lawal was confident Obasanjo would gather the needed votes by emoluments or extortion if necessary.

¶3. (C) Lawal portrayed the business community, particularly the more modernized sectors, as having fared well under Obasanjo. Thus, this very powerful and monied portion of the economy generally supported a third presidential term. Many businesspeople were privately encouraging the tenure extension with both their moral and monetary support, he confided. The business community worried if another member of the old guard succeeded Obasanjo, the economic reforms and the advantages gained as a result thereof might quickly dissipate, continued Lawal. (Comment: A growing cry in some business circles is not that Obasanjo is reforming the economy, but that, under the guise of reform, he is merely substituting one economic elite for an elite of his making. End comment.)

OBASANJO VEHEMENTLY AGAINST NORTHERN SUCCESSOR

¶4. (C) While northern leaders are clamoring for the

presidency to return to their region, the President is determined that this should not happen, Lawal stated. Obasanjo does not believe the "feudalistic northerners," especially the older ones, have the cultural and philosophical background to continue his modernization efforts. While northern support was instrumental in his reelection in 2003, the President does not feel beholden to northern politicians. After all, continued Lawal, it was a northerner, Sani Abacha, who imprisoned Obasanjo in the 1990s. Obasanjo was viscerally opposed to making way for another northerner who might again hold the south hostage, Lawal asserted.

15. (C) Should the third term amendment fail, Lawal described "Plan B" as Obasanjo stepping aside for Rivers State Governor Peter Odili, with the north being quieted by the nomination of a northern vice presidential candidate like Katsina State Governor Umaru Musa Yar'Adua, who has an unassailable northern pedigree.

NO DOUBT ABOUT OBASANJO INSIDE TRACK ON ELECTION MACHINERY

16. (C) Lawal also claimed to have the inside track on a large procurement contract for election and voting materials for the 2007 election. He had a similar contract in 2003. Lawal said he has been assured large orders for electoral materials and machines will be coming his way in about a month. (Comment: With Lawal being an unabashed Obasanjo supporter, that he might also control a large share in INEC's procurements smacks of a conflict of interest and undermines the credibility of INEC. End comment.)

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COMMENT

17. (C) A long-time supporter of President Obasanjo, Lawal was more ardent about the third term than in past conversations. The edge in his voice made us wonder if the third term was as attainable as he describes, or if his statements represent a figurative "circling of the wagons" around a position facing more legislative and popular resistance than anticipated. However, if Lawal's portrait is accurate, President Obasanjo is placing all his eggs in the third term basket, with scant thought given to any alternatives. End comment.
BROWNE